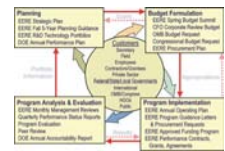




Appendix B-1 The DOE Budget Process



Program Manager must understand the budget process to defend his/her program.

a. Background and Purpose

Budget development is one of the most important program management functions. Research, development, and demonstration projects cannot proceed without funds, and budget justification and defense are primary program management.

By knowing the budget process and schedule, program managers can defend their programs by anticipating upcoming events, such as questions from House and Senate committees, and respond quickly and appropriately. The major milestones of the budget development process are outlined in this process description.

b. Budget Development Process

Budget development steps:

The Corporate Review Budget. Preparation of the annual Corporate Review Budget (previously called the Internal Review Budget) begins in the spring of the current year. This budget is for the fiscal year that is two years away. That is, preparation begins in the spring of CY 2001 for the FY 2003 budget. The Corporate Review Budget, along with the Key Activity Summary, forms the basis of the program sector and EERE's portion of DOE's budget submission to the Office of Management and Budget (OMB). Details on the content and format of the Corporate Review Budget document are found in Appendix B2.

Program Manager gathers input and FWP's from Labs, Field offices.

Prior to developing the first draft of the Corporate Review Budget, program managers gather inputs from appropriate personnel at DOE headquarters, the labs and field offices (Field Work Proposals) as well as internal planning, such as updating the multi-year program plan. **Program Managers should already have much of this information from the planning process that occurs prior to the Budget Development Process.** (See Chapter 5 of this Guide)

Program Manager refers to internal planning.

DOE Controller issues call for development of Corporate Review Budget.

The Budget Process begins when the DOE controller issues the call for development of the Corporate Review Budget and guidance for its preparation.

Program manager prepares program budgets and Key Activity Summaries.

The program managers review their programs and prepare program budgets and Key Activity Summaries based on what the programs seek to accomplish. Useful information for budgeting purposes can come from the programs spend plan history, the existing budget, and the multi-year program plan(s). These budgets are then reviewed by the DAS/TD and DAS/BA who direct comments and revisions back to the program managers.

Program Office prepares Corporate Review Budget

The Key Activity Summary is a major part of the overall budget document that is the basis of the budget request. The Key Activity Summary includes program descriptions/explanations, overall objectives and long-term strategic goals, and lists all projects conducted under each program. **Program Managers develop the upcoming budget year's key activities using the Corporate Review Budget for guidance, or any draft key activities developed for the Corporate Review Budget, the previous fiscal years Key Activity Summary, and planning documents.** With each review process of budget, the Key Activity Summary should be updated to reflect any changes.

DAS/TD and DAS/BA review Corporate Review Budget

Development of the Key Activity Summary, and the Budget Analysis Review and Reporting System (BARRS) used to coordinate its development, is explained in Appendix B2, *The Corporate Review Budget Document*

DAS/TD and DAS/BA review Annual Budget.

The overall Program budget, which includes the program's budget request, is then reviewed by the DAS/TD and DAS/BA who may accept the budget or recommend changes. Discussions between the Deputy Assistant Secretaries and the Assistant Secretary/EE determine initial funding levels at which the Corporate Review Budget will be developed. **Based on the Corporate Review Budget agreed upon by the Assistant Secretary/EE and the Deputy Assistant Secretaries, Program Managers are usually requested to update their Key Activity Summaries.**

Program manager updates Key Activity Summaries

EE reviews Program budget.

Budget Review Committee reviews EE budget.

Program manager may be asked to resolve issues.

DOE submits budget to OMB.

OMB reviews DOE budget and returns passbacks.

Program manager supports DOE appeal to OMB; response time is short.

OMB reviews appeal and approves DOE budget.

OMB submits budget to President.

DOE Review of Corporate Review Budget. Following the Program review, the budget is sent to the Office of the Assistant Secretary / EE where it is reviewed in the context of the entire EE budget. The Assistant Secretary may recommend changes that are resolved before the budget is forwarded to the Office of the Controller. **Program Managers may again be asked to update the Key Activity Summaries.**

The Controller prepares the Program Budget Issue Documents (PBIDs) for the Budget Review Committee. This Committee reviews DOE's budget and may accept, reject, or mark up the EE budget. **Individual program managers may be requested to resolve issues raised by the Assistant Secretary's office, the Controller, or the Budget Review Committee during the review process.**

When all comments are resolved, the final DOE agency budget is prepared, approved by the Secretary of Energy, and submitted to OMB.

OMB Budget Review. OMB reviews the budget in October and November. As part of the process, meetings are held with DOE personnel to discuss the budget request.

During this time OMB does mark-ups to the budget and returns their initial allowance ("passback") to DOE. DOE analyzes OMB's allowance and may undertake an appeal process. Any questions or issues raised by OMB must be resolved by DOE during this passback period. **Program managers may be required to respond to inquiries raised by OMB in the passback process or provide additional information and justification for the appeal process.** The response time for the appeal is usually very brief.

OMB considers DOE's appeal and informs the Secretary of Energy of the final budget allowance for DOE. Once approved, the DOE budget is consolidated into the overall OMB submission to the President's budget. A more detailed explanation of the OMB Passback Process appears in Appendix B3, "*OMB Passback and Appeal.*"

President submits budget to Congress.

Budget Committees review Presidential Budget.

Concurrent resolution process begins.

Congressional Budget Process. Each February the President submits the budget for the upcoming fiscal year to Congress. Congressional review of the budget will continue from February to September. The Congressional Budget process is organized around a “concurrent resolution on the budget.” This concurrent resolution, passed by both houses of Congress, sets forth various constraints on the Congressional Budget.

Concurrent Resolution on the Budget. The fiscal year begins in October and the budget becomes effective. (If the budget is still not approved by the time the Fiscal Year begins on October 1, the DOE may operate under a “Continuing Resolution” if passed by Congress.) Congress begins formulation of the concurrent resolution when it receives the Presidential budget submission in February. The House and Senate budget committees review the Presidential budget submission and receive formal reports on “views and estimates” on the budget from various other House and Senate committees. The Budget Committees conduct hearings and report the concurrent budget resolution to their respective houses. While this process is designed to secure final approval of the concurrent resolution by April 15, in recent sessions of Congress this target date has not been met.

February to May: Program Manager responds to Congressional questions (Q&A process); response time is short.

Authorization and Appropriations Legislation. During the Congressional review process, the relevant House and Senate committees conduct Authorization and Appropriations hearings. Congressional questions on the budget can be expected from February to May, prompted by questions raised during Congressional Review of the budget; responses are prepared by DOE through what is commonly called the **Q&A (questions and answers) process**. (See Appendix B4)

June to August: Program Manager prepares impact and capability statements, as requested by Congress; response time is short.

Requests for Impact and Capability Statements (see Appendix B5) usually occur in June to August, also during Congressional Review of the budget. **Program Managers prepare answers to Congressional questions and generate impact and capability statements.** Turnaround time is usually limited.

An authorization bill authorizes the conduct of an activity by a Government agency and authorizes the appropriation of funds by Congress, but it does not appropriate the funds. Funds cannot be expended without an Appropriations Bill being passed.

For the energy portion of DOE’s budget authorization, the committees and subcommittees with legislative authority are:

- House Science Committee Energy and the Environment Subcommittee
- Senate Energy and Natural Resources Committee Energy Research and Development Subcommittee

These committees hold authorization hearings on all major DOE energy programs and report the authorization legislation to their respective houses for approval.

Once approved, the House and Senate versions of the bill are sent to a conference committee for mark-up and resolution. The final version of the authorization bill is then sent back to the full House and Senate floors for approval.

House conducts Authorization Hearings.

Senate conducts Authorization Hearings.

The House and Senate Appropriations Committees have jurisdiction over bills that appropriate revenue for support of the Federal Government. Appropriations bills provide actual funds for agency operations. Bills are structured by agency and function, with each appropriation bill having its own subcommittee. The House and Senate have two identically named subcommittees with legislative authority for the energy portion of DOE appropriations: The Interior and Related Agencies Subcommittee and the Energy and Water Development Subcommittee. These subcommittees hold separate hearings on their respective appropriations bills. The appropriation process is similar to the authorization process. These subcommittees recommend spending levels, by program, to the full Appropriations Committees. The Appropriations bill need not appropriate all the funds authorized under the Authorization legislation.

Each House passes its own Authorization Bill.

Conference committee resolves differences.

From the committee hearings and proceedings, House and Senate versions of the bill emerge and are sent to the appropriate Congressional floors for approval. Once approved, the House and Senate versions of the bill are then sent to a Conference Committee for mark-up and resolution. The Conference Committee sends the conference report and the final version of the bill to the House and Senate floors for final approval.

***Congress passes DOE
Authorization Bill.***

The Budget Development Process ends with Congress passing the DOE Bills and the President signing them by the start of the Fiscal Year on October 1. If the Congressional Budget is not approved in time, the DOE may operate under a continuing resolution, (temporary budget authority enacted by Congress).

c. Budget Timeline

The timeline of events (month-by-month) for the entire Budget Development Process for any given year is managed by the EERE SMS. At any time during the current year, simultaneous development of budgets for the succeeding fiscal years is ongoing. Each of these budgets is at a different stage of development.

d. Additional Resources

Several additional references are available on the Federal Budget and the Congressional Budget processes.

Collender, Stanley, E. *The Guide to the Federal Budget*. Washington, DC: The Urban Institute, annual.

Shuman, Howard E. *Politics and the Budget*. New Jersey: Prentice-Hall Inc., 1992.

The Congressional Budget Process: An Explanation. Prepared by the Senate Committee on the Budget, Senate Print 100-89. Washington, DC: Government Printing Office, 1988.

Understanding Congressional Budgeting: Budget Handbook, Washington, DC: Congressional Quarterly, Inc., 1993.